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ABSTRACT

This document suggests how state boards of education can get a fair share of block grant monies from the Education Consolidation and Improvement Act of 1981. States' decisions regarding distribution of block grant monies involve three significant characteristics: (1) almost all states keep 20 percent of the grant (the maximum allowed) at the state department of education level; (2) enrollment accounts for the majority of funding to school districts; and (3) dollar amounts allocated on the basis of individual children are very small. To get a fair share of the block grant monies, educators should look at competitive grants to see if the state is offering any, review the high cost factors (such as economic need, desegregation, and exceptional students) being used by the state's department of education (to see what types of districts are receiving more per pupil allocation), and ensure that the school district has applied for its grant money. The paper concludes that the block grant has passed back the responsibility for school spending to school districts. (PB)

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FIRST YEAR OF CHAPTER 2 BLOCK GRANTS

GETTING YOUR FAIR SHARE OF BLOCK GRANT MONEY

It is not difficult to comment on what you, as a superintendent or school board member, can do to get your fair share of the block grant money. The answer is not much. This is a new avenue to Federal funds, originally available to school districts through approximately 29 different grant programs. Chapter 2 of the Education Consolidation and Improvement Act of 1981, which became effective in 1982, consolidated these 29 grants into one block grant. Over the next several minutes, I shall review what the state boards across the country did with their shares of the grants. Specifically, I shall use more detailed information about Virginia since the source of information nationwide is limited.

One of the two requirements of the Act is for the State (Governor) to appoint a state advisory committee to advise the state's board of education on how to administer the Act. This boils down to determining a formula for distribution of funds to the local educational agencies (LEAs), referred to hereafter as school districts. The state committee recommends a formula to its state board of education which may or may not be accepted. You might be interested in the composition of the committee in Virginia. It has 27 members in the following categories: 3 school board members, 2 superintendents, 4 school administrators, 5 parents, 2 school teachers, 1 city manager, 1 county treasurer, 3 state legislators (one being the lieutenant governor who is chairman of the committee), 1 PTA representative, 2 higher education representatives, 1 rural at large, 1 urban at large, and 1 representative from the private school sector.

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After the state has set its committee, it must file an application with the Secretary of the Department of Education. The Department of Education will in turn award a grant to the state based on an amount computed on the basis of school-age populations in the state compared with the school-age population of all the states, including both public and private children. For the 1982-83 school year, $437,000,000 was the nationwide pot of money from which each state's portion came. As one would imagine, the highest grant went to California ($41.3 million) and the lowest to 14 states amounting to $2.2 million each. I understand the 1983-84 appropriation should be an increase of $8.4 million or 1.9% in funds available to the states because of a reworking of the national fund allocation.

When the state receives its annual allocation, it must distribute at least 80% to the school districts in proportion to the relative enrollments in both public and private schools in the state. However, the Act does permit adjustments to the local award of grants by the state "in accordance with criteria approved by the Secretary to provide higher per pupil allocations to local educational agencies which have the greatest numbers or percentages of children whose education imposes a higher than average cost per child..."[1] Although there are no strict guidelines in this regard, the Secretary will approve criteria that are reasonably calculated to provide a fair distribution of the monies to the educational agencies.

The state advisory committee has the responsibility of developing a fair allocation of the state's share of funds and makes the recommendations to the state board of education. The state has a great deal of flexibility

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[1] U. S. Department of Education, Region III, Philadelphia, Pennsylvania, Block Grant: Update, February 25, 1982, p. 6598.

in the weights used to determine how much money will go to each school district which applies. As of January, all of the state formulas, except California, were approved by the Secretary, according to a report issued by the Education Commission of the State dated January 13, 1983.[2] This report goes on to relate some statistics and comments on the use of these funds by the various states.

As said earlier, the Act requires a minimum of 80% of a state's funding be passed on to the local school districts. During this first year, 41 states did just that. Four other states passed along more than 80%: Alabama 90%; Florida 82.5%; Pennsylvania 82.7%; and the District of Columbia 80.21%. Data from the other five states--Florida, Nevada, New York, Ohio and Utah--were not available at the writing of the Commission's report.

In addition to the enrollment factor, the "high cost" children factor was used by all states except Hawaii. It is important to note that although weights may be used for these high-cost children, there are not statutory or regulatory requirements that the monies be actually spent on these children.

Let's take a look at some of the various high cost factors and criteria used by the states this year. The following eight factors were used to alter the straight enrollment count:

1. Economic need, including Chapter I students, free and reduced price lunch students, local tax effort and districts with high socio-economic needs.
2. Size of enrollment, including sparsity and low enrollment.
3. Exceptional students, including the gifted and talented, special education, and those needing basic skills remediation.

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[2] State Implementation of Chapter 2: The Distribution of Dollars, issued under cover letter from the Commission dated January 13, 1982.

4. Limited English speaking.

5. Students in state institutions, including the neglected, delinquent and retarded.

6. Minority isolation/desegregation.

7. Vocational and technical education.

8. Secondary education.

A state could use no high-cost factor or one or more factors. As a matter of interest, 13 states used only one high-cost factor and 60% used no more than two factors. In the Commission's analysis of these factors, economic need was the most commonly used factor with 46 states drawing on this. Of these 46 states, 26 of them used the Chapter I eligible students. The next most commonly used factor was "size of enrollment" with 24 states using this. The "exceptional students" factor was used by 25 states. Twelve states used the special education criteria under the "exceptional student" factor which indicated a desire to offset some of the costs involved in that category.

Of the remaining five factors, none of these were used by more than six states. This is somewhat surprising on the desegregation/racial isolation factor since ESAA (Emergency School Assistance Act) was combined into the block grants.

How did this mean the money was passed through to the school districts? Of the 45 states on which the Commission had statistics, the average state allocation was nearly 70% of the available funds to the school districts on enrollment alone. It is interesting to note that five states used heavy weights in their formula by allocating less than 50% of the available funds to enrollment alone; Alaska 30%, Connecticut 38%, District of Columbia 35%, Massachusetts 40% and New Jersey 30%. States which used five or more criteria were New Jersey, Oklahoma, Texas, Wyoming and Washington.

Looking at a regional breakdown, the Southern and Midwestern regions allocated almost 80% of their funds by enrollment. The Western region allocated 71% of its funds followed by the Northeastern region allocating only 55% of its funds to enrollment. The smaller the allocation based on enrollment means greater emphasis was given to high cost weighted factors.

To give you an indication of how much money came to the school districts on the average, let's look at how much per pupil was generated in the 33 states where the data was available in the Commission's report. On average, enrollment, alone, gave each child only $6.11.

Keep in mind we have talked about how the states allocated the monies. How the school districts spend their monies is another thing, since the districts have great latitude in spending it. Although I do not know exactly how the districts will spend their monies, there are two characteristics which are likely to come through. First, there will be a strong likelihood that the money will be spent on one-time-only costs because of the uncertainty of future funds and the low level of funding available to the district. Second local efforts and money to desegregate schools are very likely to diminish. It is clear that with the consolidation of ESAA in the Block Grant, the states are not choosing to use these funds to desegregate.

Your particular state may allocate some money for competitive grants out of the Block Grant money. In Virginia, $350,000 out of a total grant of $10 million was set aside for this purpose and was awarded to 44 of the 139 divisions in the state. Primarily, the largest amount of money went toward gifted and talented and computer literacy grants. Using competitive grants is the only way I know that you as a school board member or a superintendent can take some direct action to receive a few dollars more than another division.

To summarize what the states are doing, the Commission report mentions three significant characteristics about the decisions the states have made regarding the distribution of the Block Grant monies. First, almost all of the states are keeping the maximum 20% of the grant at the state department of education level. Second, enrollment alone is accounting for the substantial majority of funding to the school districts, thus giving the broadest possible distribution of funds. Third, because of this factor the dollar amounts that are being allocated on the basis of individual children are very small. If one assumes that the districts will use the dollars in the same proportion to the way they are allo ated, the average amount of enhanced educational services for the students will not be great.

So, again, how can you get your fair share of Chapter 2 Block Grant money? First of all look at competitive grants to see if your state is offering any. Second, review the high cost factors being used by your state's department of education to see what types of districts are getting more per pupil allocation. Should the weights be changed? If so, talk to a state advisory board member and express your view. Lastly, make sure that your district has applied for your share of the grant money. Every school district should receive some allocation. This block grant removes grantmanship as a requirement to be successful unless you are going after a competitive grant. Overall, it has passed the responsibility back to the local school districts to decide how to spend the money, and we should all be thankful for this.